



Senator Charles S. Poochigian, Assistant Republican Leader  
Representing Fresno, Madera, Mariposa, San Joaquin, Stanislaus and Tuolumne Counties

## PRESS RELEASE

### Senator Poochigian Statement on the Administration's Issuance of Permanent Disability Regulations

FOR IMMEDIATE RELEASE  
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SACRAMENTO – Senator Chuck Poochigian (R- Fresno) today released the following statement in response to the issuance of Permanent Disability (PD) Regulations by the Administrative Director of the Division of Workers' Compensation. These regulations were required by law to be adopted by January 1, 2005, pursuant to Labor Code Section 4660(e), as part of SB 899 (Poochigian):

"It was the Legislature's intent to reduce subjectivity in our workers' compensation system by utilizing nationally recognized standards to determine permanent disability. It is preposterous for the reform's detractors to assert that the Legislature did not intend to reduce workers' compensation costs when it altered the PD schedule.

"Nationally, the average cost for workers' compensation is \$2.70 per \$100 of payroll. California's average workers' compensation rate in 2003 was \$6.08—2.25 times the national average. The legislation passed this year was intended to move the system closer to the rest of the nation and standardize impairment ratings by requiring the use of nationally recognized standards. The AMA guidelines are used by almost every other state in the union in the manner being proposed by the Governor.

"Even with the implementation of a new PD schedule, California's overall benefit system remains more generous than many states because it includes modifiers such as age, the loss of future earning capacity, and a newly created bonus of 15% if an employer does not offer the employee their job back.

"It is my understanding that some PD ratings will go up and some will go down with the use of AMA guidelines. For opponents of this reform to cherry pick only those injuries where payments may go down gives a very false and misleading impression. Any objective analysis of the system must look at all of the proposed changes."

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